



STATEMENT OF AT&T CONNECTICUT

Regarding Raised House Bill No. 6515 An Act Concerning Prepaid Calling Cards Before the Committee on General Law February 26, 2009

Proposal:

House Bill No. 6515 would subject prepaid calling cards regulated under section 42-370 that are issued to the public by a company that is providing prepaid calling service using its own network to regulation as a gift certificate.

Comments:

AT&T opposes House Bill No. 6515 and urges the committee to reject it.

AT&T understands that the Committee is concerned with protecting consumers who purchase prepaid calling cards from being subjected to unreasonable or hidden terms and conditions of which they are unaware. AT&T does not object to regulation of prepaid calling cards, however, the cards are distinguishable from gift cards and gift certificates and their function and use is distinct. Simply Including prepaid calling cards in the definition of a gift certificate is not the most effective way to address consumer protection concerns the Committee may have with sellers of these cards and is likely to have unintended consequences.

Currently, prepaid calling cards are specifically excluded from the definition of gift certificate in section 3-56. The exclusion makes sense as these cards are currently regulated under section 42-370 and under federal law. Prepaid calling card service is classified by the Federal Communications Commission as a basic telecommunications service. Terms and conditions, including expiration policy, fees and surcharges must be disclosed on the prepaid card or packaging under the prepaid card laws of several states, including Connecticut. In addition, the terms and conditions under which these cards are sold and used are specified in tariffs filed by AT&T with the Department of Public Utility Control. AT&T suggests that section 42-370, which deals directly with prepaid calling cards is the appropriate means for addressing consumer concerns with the cards, rather than applying gift certificate regulations and creating the potential for conflict with prepaid card laws.

Conclusion:

AT&T opposes House Bill No. 6515 as drafted and urges the Committee to reject it. AT&T would welcome the opportunity to work with the committee to address its concerns.